

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS (Continued)**  
FISCAL YEAR ENDED SEPTEMBER 30, 2008  
(In Thousands)

	INFORMATION TECHNOLOGY FUND	RISK MANAGEMENT FUND	STATE SPONSORED GROUP INSURANCE FUND	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 507,663	\$ 4,935	\$ 714,665	\$ 1,435,285
Payments to employees	(172,414)	(878)	-	(204,644)
Payments to suppliers	(258,106)	(2,228)	(221,124)	(639,894)
Claims paid	-	(1,238)	(425,675)	(426,913)
Other receipts	-	4	-	178
Other payments	-	-	-	(8,114)
Net cash provided (used) by operating activities	\$ 77,143	\$ 595	\$ 67,865	\$ 155,897
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Loans or loan repayments from other funds	\$ -	\$ 1,415	\$ -	\$ 5,407
Loans or loan repayments to other funds	-	-	(4,132)	(14,152)
Transfers from other funds	-	-	14,093	14,093
Transfers to other funds	(1,186)	(15)	-	(1,333)
Net cash provided (used) by noncapital financing activities	\$ (1,186)	\$ 1,400	\$ 9,961	\$ 4,015
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(67,260)	\$ -	\$ -	\$ (67,756)
Interest paid	-	-	-	(252)
Capital lease payments (including imputed interest expense)	(2,241)	-	-	(3,000)
Proceeds from sale of capital assets	-	-	-	64
Net cash provided (used) by capital and related financing activities	\$ (69,501)	\$ -	\$ -	\$ (70,944)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends on investments	\$ -	\$ -	\$ 3,521	\$ 3,521
Net cash provided (used) by investing activities	\$ -	\$ -	\$ 3,521	\$ 3,521
Net cash provided (used) - all activities	\$ 6,456	\$ 1,995	\$ 81,347	\$ 92,489
Cash and cash equivalents at beginning of year - restated	22,885	5,336	112,948	142,078
<b>Cash and cash equivalents at end of year</b>	<b>\$ 29,341</b>	<b>\$ 7,331</b>	<b>\$ 194,295</b>	<b>\$ 234,566</b>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>				
Per Statement of Net Assets Classifications:				
Cash	\$ -	\$ -	\$ 6	\$ 496
Equity in common cash	29,731	7,331	194,331	234,679
Warrants outstanding	(390)	-	(42)	(609)
Cash and cash equivalents at end of year	\$ 29,341	\$ 7,331	\$ 194,295	\$ 234,566
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (7,201)	\$ 1,684	\$ 27,361	\$ 21,516
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Depreciation expense	44,605	-	-	47,770
Other reconciling item	-	4	-	4
Net Changes in Assets and Liabilities				
Inventories	(66)	-	-	2,088
Other assets (net)	(65)	(1)	3,614	775
Accounts payable and other liabilities	39,869	(1,093)	36,890	83,745
Net cash provided (used) by operating activities	\$ 77,143	\$ 595	\$ 67,865	\$ 155,897
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>				
Cost of capital assets acquisitions				
financed by capital leases	\$ 4,990	\$ -	\$ -	\$ 4,990
Capital lease liabilities entered into during the year	(4,990)	-	-	(4,990)
Gain (loss) on disposal of capital assets	-	-	-	(11)
Total noncash investing, capital, and financing activities	\$ -	\$ -	\$ -	\$ (11)